

Message Text

LIMITED OFFICIAL USE

PAGE 01 MEXICO 10288 01 OF 02 221728Z

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
PRS-01 /033 W

-----044454 221746Z /47

R 220036Z JUN 77

FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 3017

LIMITED OFFICIAL USE SECTION 01 OF 02 MEXICO 10288

EO 11652:N/A

TAGS: EAIR, MX

SUBJECT: CIVAIR - USER CHARGES

REF: A) STATE 129042, B) MEXICO 7773, C) MEXICO 7561
D) MEXICO 5088, 1976

1. PER REFTEL A, PARA 2, EMBOFF PERSONALLY CALLED ON DIRECTOR GENERAL OF TARIFFS, TERMINALS AND RELATED SERVICE, LIC. TEBALDO MUREDDU, TO EXPRESS USG CONCERN OVER LARGE LANDING FEE INCREASE AND THE STATEMENT OF FEES IN DOLLARS WHEN COSTS ARE PRINCIPALLY IN PESOS. COPY OF TALKING POINTS BASED ON REFTEL A WAS PROVIDED, AND MUREDDU WAS REQUESTED TO PROVIDE EMBASSY WITH DOCUMENTARY JUSTIFICATION FOR INCREASE. MUREDDU STATED THAT HE WOULD HAVE TO CHECK WITH THE SECRETARY OF COMMUNICATIONS AND TRANSPORT TO DETERMINE WHETHER DATA COULD BE MADE AVAILABLE TO THE EMBASSY (HE SUBSEQUENTLY INFORMED THE EMBASSY THAT HIS OFFICE IS PREPARING DATA SUBSTANTIATING THE INCREASE WHICH WILL BE FORWARDED TO US SHORTLY).

2. DURING THE ENSUING CONVERSATION, MUREDDU STATED THAT THE INFORMATION PROVIDED HIS OFFICE BY THE DIRECTOR GENERAL (LIC. ENRIQUE LOAEZA TOVAR) OF AEROPUERTOS Y SERVICIOS AUXILIARES JUSTIFIED A 110 PERCENT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MEXICO 10288 01 OF 02 221728Z

INCREASE IN LANDING FEES, RATHER THAN THE APPROXIMATELY 80 PERCENT INCREASE AUTHORIZED. HE ARGUED THAT SINCE INTERNATIONAL PASSENGER AND CARGO FARES ARE QUOTED IN DOLLARS, THERE WAS NOTHING UNUSUAL ABOUT ASA QUOTING LANDING FEES IN DOLLARS AND THAT THIS WAS NECESSARY BECAUSE ASA HAD LARGE FOREIGN OBLIGATIONS IN DOLLARS (HE WAS UNABLE TO INDICATE THE AMOUNT OR WHAT PROPORTION OF

ASA'S BUDGET WAS DEVOTED TO FOREIGN OBLIGATIONS). EMBOFF STATED BASIC REASON FOR INTERNATIONAL PRACTICE OF QUOTING PASSENGER AND CARGO CHARGES IN DOLLARS AND STRESSED THAT PRACTICES REGARDING LANDING FEES WERE OTHERWISE BECAUSE PRACTICALLY ALL COSTS WERE DOMESTIC IN ORIGIN. MUREDDU REMAINED UNCONVINCED AND ARGUED THAT BECAUSE OF THE PESO DEVALUATIONS, THE AIRLINES WERE ENJOYING A WINDFALL IN THAT THEY WERE COLLECTING FARES, ETC. AT DOLLAR RATES AND PAYING LANDING FEES AT POST-DEVALUATION PESO RATES AND IT WAS ONLY FAIR THAT AN ADJUSTMENT BE MADE. EMBOFF REPLIED THAT INCREASED COSTS OF ASA'S OPERATIONS MAY IN FACT JUSTIFY A REASONABLE INCREASE IN LANDING FEES, BUT THAT THE SIZE OF THE RECENT INCREASE AND THE QUOTATION THEREOF IN DOLLARS REMAINED CAUSE FOR SERIOUS CONCERN FOR THE USG AND COULD CONCEIVABLY TRIGGER COUNTERVAILING MEASURES AGAINST MEXICAN NATIONAL AIRLINES UNLESS THE INCREASE COULD BE JUSTIFIED.

3. EMBOFF ALSO CALLED ON OFFICIALS OF THE FOREIGN MINISTRY AND THE CIVIL AVIATION AUTHORITY TO INDICATE INFORMALLY USG CONCERN. COPIES OF TALKING POINTS WERE ALSO PROVIDED TO EACH. EFFORTS TO MEET WITH LIC. ENRIQUE LOAEZA TOVAR, HAVE BEEN UNSUCCESSFUL SO FAR. HOWEVER, LETTER INFORMING HIM OF USG CONCERN AND REQUESTING DATA HAS BEEN SENT. EMBOFF HOPES TO MEET WITH HIM THIS WEEK.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MEXICO 10288 01 OF 02 221728Z

4. MEANWHILE, ON MAY 27, 1977, ALL AIRLINES SERVING MEXICO, EXCEPTING AEROMEXICO, MEXICANA AND AVIATECA, FILED FOR AN INJUNCTION IN THE MEXICAN COURTS, ARGUING THAT THE QUOTATION OF LANDING FEES IN DOLLARS IS CONTRARY TO MEXICAN LAW. THE PRELIMINARY DECISION OF THE JUDGE WAS TO DENY THE INJUNCTION AND HAS BEEN INTERPRETED AS PROVIDING TIME FOR ASA AND THE AIRLINES TO REACH AN ACCOMMODATION. MOREOVER, CONTRARY TO THE REPORT REFTEL B, THE AIRLINES HAVE HAD A CHANGE OF MIND AND HAVE CONTINUED TO DEPOSIT LANDING FEES AT THE OLD RATE WITH ASA. HOWEVER, A COURT JUDGE IS TO RULE ON JUNE 22, 1977 WHETHER THE AIRLINES MUST PAY LANDING FEES AT THE NEW RATE PENDING THE EXPECTED FINAL DECISION ON THE INJUNCTION ON JULY 8, 1977. IN THIS REGARD, THE INDIVIDUAL AIRLINES WILL TESTIFY ORALLY BEFORE THE COURT BEGINNING JUNE 22, 1977. THE AIRLINES ARE OPTIMISTIC AND BELIEVE THE FINAL DECISION WILL BE IN THEIR FAVOR, I.E. TARIFFS MUST BE QUOTED IN PESOS, AND THAT THEREAFTER THEY CAN NEGOTIATE AN ACCEPTABLE INCREASE WITH ASA (A 35 PERCENT INCREASE HAS BEEN MENTIONED).

5. EVEN IF THE COURT DECISION IS FAVORABLY AND THE

AIRLINES AND ASA RESOLVED THIS PROBLEM TO THEIR RESPECTIVE SATISFACTION, THE EMBASSY BELIEVES THE WHOLE QUESTION OF MEXICAN AVIATION FEES MERITS DETAILED INVESTIGATION AND REVIEW BY DOT. REASONS THEREFOR WILL BE SET FORTH IN SEPTEL.

6. PER PARA 3, REFTEL A, EMBASSY IS FORWARDING BY AIRGRAM COPIES OF PRESS COVERAGE ON FEE PROBLEM AND OFFICIAL COMMUNICATIONS RELATING TO THE INCREASE. A COPY OF A WESTERN AIRLINES MEMORANDUM ON MEXICAN AVIATION FEES IN GENERAL, OF POSSIBLE INTEREST TO DOT, WILL BE INCLUDED

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MEXICO 10288 02 OF 02 221729Z
ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
PRS-01 /033 W

-----044519 221746Z /47

R 220036Z JUN 77
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 3018

LIMITED OFFICIAL USE SECTION 02 OF 02 MEXICO 10288

ALSO. WE WILL ALSO ATTEMPT TO OBTAIN FURTHER DATA AND REPORTS, BUT ARE NOT SANGUINE ABOUT THE OUTCOME OF SUCH EFFORTS. RE COMMISSION REPORT MENTIONED REFTEL D, EMBASSY WAS INFORMED CONCLUSIONS WERE NEVER PUBLISHED. THOMPSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIRPORT FEES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MEXICO10288
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770223-0337
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770631/aaaabayy.tel
Line Count: 156
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1887e378-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 129042, 77 MEXICO 7773, 77 MEXICO 7561
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2072093
Secure: OPEN
Status: NATIVE
Subject: CIVAIR - USER CHARGES
TAGS: EAIR, MX, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/1887e378-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009